

March 12 2022

Written Testimony Submitted to the Connecticut General Assembly Committee on Finance, Revenue and Bonding in support of S.B. No. 383 (RAISED) AN ACT INCREASING THE APPLICABLE PERCENTAGE OF THE EARNED INCOME TAX CREDIT. (FIN) and H.B. No. 5403 (RAISED) AN ACT ESTABLISHING A CHILD TAX CREDIT AGAINST THE PERSONAL INCOME TAX. (FIN)

Dear Senator Fonfara, Representative Scanlon, Senator Henri, Representative Cheeseman, and esteemed members of the Finance, Revenue and Bonding Committee:

My name is Annie Harper, I live in New Haven, and i am writing to support passage of SB 383 (raised) an act increasing the applicable percentage of the Earned Income Tax Credit and HB 5403 (raised) an act establishing a child tax credit against the personal income tax.

I work at the Yale School of Medicine Department of Psychiatry, where I conduct research into the associations between finances, poverty and mental health. The views I express today are solely my own and do not represent those of any organization or agency with which I am currently or have previously been affiliated.

Passage of HB 5403 and SB 383 will make Connecticut's tax system fairer and advance racial justice. My research and that of many others shows that there is a strong association between financial stress and mental and physical health. When parents struggle with financial stress and related poor health, their children are also more likely to experience poor health, a risk which continues into adulthood.¹

Parents who are financially secure are more likely to be able to plan ahead rather than just focus on immediate concerns, and make financial decisions with a long-term view, rather than engage in short-term coping strategies such as excessive borrowing, which can have detrimental long-term impacts. They are more likely to be patient with their children and partners and avoid authoritative and punitive parenting methods. They are also less likely to be depressed, and more likely to eat a healthy diet and remain at a healthy weight.

Babies born into families that are financially insecure may experience toxic stress in utero and in early infancy directly as a result of economic hardship and/or indirectly through their parents' stress. This toxic stress may result in poorly developed stress response systems, resulting in poor impulse control and heightened and persistent feelings of anxiety, even when there is no basis for that anxiety. Children who have experienced toxic stress in utero or very early in life are more likely to struggle at school, and to have mental and physical health problems as adults.

¹ Harper, A. (2019). *Pioneering Health and Wealth Integration for Children*. Asset Funders Network. https://assetfunders.org/wp-content/uploads/AFN_2019_HEALTHWEALTHCHILDREN_PROOF-11_SINGLE-10.22.19.pdf

Harper, A. (2019). *Advancing Health and Wealth Integration in the Earliest Years*. Asset Funders Network. https://assetfunders.org/wp-content/uploads/AFN_2020_HEALTHWEALTH_0-3YRS6-29-2020SINGLE.pdf

Children from financially secure families are more likely to do well at school as they grow older, and to avoid mental and physical health problems when they are adults. They are less likely to be obese or have asthma, less likely to be stressed, depressed, or suffer from more serious psychiatric disorders. Children with disabilities, such as epilepsy, hearing difficulty, or developmental delay have better health and educational outcomes when their families are financially secure. When children are healthy as they grow into adults, they have a greater ability to build wealth and create financially secure families for themselves and their children.

It is time for us to enable all families in Connecticut to meet their needs and create home environments where their children can be successful and healthy. Passing these bills will move us in that direction.

Thank you for the opportunity to testify.

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